Here is the PMA e-Newsletter for March. Among the latest news is OMB's latest update on the last scorecard for each PMA initiative.

I'll be sending you a special email with a complete briefing on the news and best practices shared last week at the Government Performance Summit, as well as give you a synopsis of the two PART forums held yesterday on Capitol Hill. That will be sent next week.

-Carl DeMaio



March 2004

Table of Contents

- Government-wide News
- Budget and Performance Integration
- Improved Financial Management
- Strategic Management of Human Capital
- Competitive Sourcing
- Expanded E-Government
- Agency Spotlight: Office of Personnel Management

Government-wide News

GPRA Helps Government Become More Results-Oriented

According to a recent GAO report, federal managers say that they have significantly more of the types of performance measures called for by the Government Performance Results Act (GPRA). GPRA's requirements have established a solid foundation of results-oriented performance planning, measurement, and reporting in the federal government. Moreover, GPRA has begun to facilitate the linking of resources to results. However, much remains to be done in this area to increase the use of performance information to make decisions about resources. To view this report go to:
http://www.gao.gov/new.items/d0438.pdf

2004 to See Big Push for "Institutionalizing" Performance-Based Management in Government

At the 2004 Government Performance Summit, Bush Administration officials, federal agency managers, Congressional staff, and good-government advocacy groups convened to assess the progress in improving management and accountability in the federal government under the President's Management Agenda (PMA). Now in its third year of implementation, the PMA has become one of the most successful management reform initiatives undertaken by the federal government in modern history. Nevertheless, much is left to be done to achieve the ambitious goals of the PMA to transform the operations of every federal agency to make them citizen-centered, results-oriented and market-based. To view this release go to:
http://www.performanceweb.org/media/04-0304_gps_release.htm

Government Performance Management Certification Program

A solid foundation in government performance management is crucial to survive and thrive in today's government workplace. To help government agencies achieve successful implementation of performance-based management reforms, the Performance Institute provides comprehensive education programs through its "Government Performance Management Certification Program." All courses in this nationally-recognized program are specifically designed to ensure full compliance and successful implementation of ALL performance management reforms in government. By attending one or more of the courses offered in the certification program, you will hone your skills in designing, implementing and evaluating management improvement initiatives. You will also learn to break down management silos to ensure success and accountability of your projects. In addition to the training received during the courses, participants in the certification program are asked to select a "demonstration project" within their agency to apply the concepts learned during the program. For more information go to:
http://www.performanceweb.org/pi/training/perfmgmt_index.htm

Budget and Performance Integration

OMB's Latest Scorecard Update

According to OMB's latest scorecard update, the Administration has just concluded its second year of rigorous program evaluation, and the President's FY 2005 Budget reflects impressive growth in the extent to which performance is a factor in budget decision making and program management. The Administration has completed PART assessments for approximately 400 programs representing approximately more than $1 trillion in Federal spending. What matters most is not the assessments themselves, but what agencies are doing to addressing shortcomings in program performance identified through the PART. The Administration is using performance information and PART assessments more than ever before to make decisions and improve program performance. With the PART, we are asking not only how well programs are performing, but how efficiently they are performing. OMB is now working with agencies to decide what programs will be PARTed this year. In addition, they are working with Congress to ensure they get the performance information in a way that contributes to their decision making. To view this release go to:
http://www.results.gov/agenda/budgetperformance02-04.html

OMB Seeks Agency Support for "Budget & Performance Integration" Initiative

At a conference hosted by the Performance Institute, OMB Deputy Director for Management Clay Johnson said that many lawmakers remain skeptical of performance-based budgeting. Johnson says that agencies get it, but only isolated pockets of Congress fully understand and embrace the concept. This remains one of the management initiative's greatest stumbling blocks, and OMB will need the help of agency leaders to overcome it. If agency managers take the time to discuss performance-based funding requests with appropriations committee staff members, Congress is more likely to pay attention to the new budgeting method, Johnson said. To view this article go to:
http://www.govexec.com/dailyfed/0304/030404a1.htm

New Legislation Proposes Regular Evaluations of Federal Programs

Earlier this month, House lawmakers introduced legislation amending the 1993 Government Performance and Results Act to require regular evaluations of all federal programs. The GPRA amendment, drafted by Rep. Todd Platts, R-Pa., chairman of the House Government Reform Subcommittee on Efficiency and Financial Management, would obligate the Office of Management and Budget to assess each federal program's performance at least once every five years. But the suggested amendment does not dictate any particular method of conducting the evaluations. The amendment is designed simply to bolster GPRA and ensure that future presidential administrations review programs systematically. In this way, this law solves one of GPRA's shortcomings identified by GAO to mandate OMB reviews. To view this article go to:
http://www.govexec.com/dailyfed/0204/022404a1.htm

OMB Supports Performance Reviews for Federal Programs

OMB endorsed lawmakers' attempts to draft legislation requiring regular performance reviews of federal programs. The House Government Reform Subcommittee on Efficiency and Financial Management is holding a series of hearings looking at the Bush administration's method of grading federal programs. OMB evaluators currently use a 25- to-30-part questionnaire called the Program Assessment Rating Tool to classify programs. Members of the House subcommittee plan to introduce a bill that would institutionalize some form of program evaluations similar to the PART. Such legislation, as long as it is not too restrictive, would be a welcome complement to GPRA, which requires federal agencies to develop strategic plans for meeting concrete performance goals. While broad performance plans are helpful, agencies also benefit from reviews of specific programs. These assessments can in turn help administration officials and Congress make better informed budget decisions. To view this article go to:
http://www.govexec.com/dailyfed/0204/021104a1.htm

2004 Best Practices Forum: Performance-Based Budgeting and PART Simulation (May 3-4, Arlington, VA)

The FY05 Budget release saw 399 programs scored by the PART, which saw an increase in effective programs, and more accountability for overall results. While this improvement is a good sign, there is a long way to go towards overall performance. Whether your programs have or have not been assessed by the PART, it is imperative that you possess the skills and knowledge to fully explain your program in this questionnaire. This hands-on training will provide you with an overall explanation of OMB's designs for the PART in FY05 and beyond, as well as the PART's integration with past performance mandates, such as GPRA and PMA. Performance-based budgeting requires more than a high program assessment score; it involves implementing a successful framework to fully link resources to results to justify your program's performance. This hands-on training will apply the Logic Model methodology to define agency mission, outcome goals and intermediate strategies to accomplish those goals. You will then walk through the "Ten Steps to Developing a Performance-Based Budget" and be able to not only align resources to results, but calculate full costs for existing activities. For more information go to:

http://www.performanceweb.org/financial/p194/p194.htm

Improved Financial Management

OMB's Latest Scorecard Update

According to OMB's latest update on the scorecards, financial management continues to make progress. 18 of the 24 largest Federal agencies completed their combined FY 2003 Performance and Accountability Reports. Eight of these were submitted 45 days after the close of the fiscal year, our FY 2004 performance standard. The financial statement audits included in these reports were all unqualified, with the exception of the Department of Defense's continued disclaimer. Financial management systems that support processes with current technology continue to help agencies to have more timely and accurate information. Eliminating improper payments continues to be a priority for the Administration. During this quarter, all of the major 24 agencies submitted plans for complying with the Improper Payments Information Act of 2002. Most of these plans have provided good information about what steps agencies have taken, and plan to take in the future, to eliminate erroneous payments in their programs. We will be actively monitoring progress as these plans are implemented and will communicate achievements in upcoming reports. To view this release go to:
http://www.results.gov/agenda/financialperformance02-04.html

Agencies Close to a Financial Breakthrough

Agencies have made great progress at speeding up the preparation of annual financial statements. Eight agencies including the Education, Health and Human Services, Treasury and Veterans Affairs departments and the National Science Foundation, Social Security Administration, Agency for International Development and Environmental Protection Agency handed in paperwork for fiscal 2003 in November, less than two months after the end of the fiscal year. This puts these agencies a year ahead of schedule at meeting accelerated deadlines for submitting audit paperwork to the Office of Management and Budget. Starting in fiscal 2004, agencies will have to hand in paperwork by November rather than by February 1, the deadline in FY02 and FY03. To view this article go to:
http://www.govexec.com/dailyfed/0304/030304a1.htm

Justice Increases Frequency of Financial Reviews

The Justice Department will review its finances more frequently to help meet earlier deadlines for submitting audit materials to the Office of Management and Budget. Instead of waiting until the end of the fiscal year to put its books in order, the department will check on financial statements at regular intervals throughout the year. Eventually, Justice would like to review its accounts every month. The department already has started moving in that direction. Last fiscal year, Justice inspected its books at the nine-month mark, but discovered that was too late in the process. So this year, the department will conduct a six-month review. In subsequent years, Justice will move to quarterly and then monthly assessments. To view this article go to:
http://www.govexec.com/dailyfed/0204/021904a1.htm

2004 National Conference on Financial Management Innovations in Government - Developing Strategies to Enhance Speed, Accuracy and Efficiency in Financial Reporting (May 10-12, Arlington, VA)

The development of numerous federal financial management initiatives in recent years has meant an increasing

workload for financial managers. With the implementation of the PMA, federal financial managers have been tasked with providing faster, more accurate and more extensive financial reporting. This conference will cover key areas in financial management, including: eliminating waste in financial operations, accelerating reporting, and building strong control environments. Serious deficiencies in agency control environments and payment mechanisms have opened the door for fraud, misuse and simple human error. Increased transparency and accountability in financial management means government agencies are being forced to submit their financial reports earlier and earlier. In organizations as large as federal agencies, there are considerable risks of fraud, abuse and reporting inaccuracy. Agencies need to design controlled environments to provide reasonable assurance that risks are managed effectively. For more information go to:
http://www.performanceweb.org/financial/P174/p174.htm

Strategic Management of Human Capital

Implementing Pay for Performance at Selected Personnel Demonstration Projects

Federal agencies have been experimenting with pay for performance through the Office of Personnel Management's (OPM) personnel demonstration projects. In a recent report, GAO found that the demonstration projects took a variety of approaches to designing and implementing their pay for performance systems to meet the unique needs of their cultures and organizational structures. High-performing organizations continuously review and revise their performance management systems. The demonstration projects show an understanding that how to better link pay to performance is very much a work in progress at the federal level. Additional work is needed to strengthen efforts to ensure that performance management systems are tools to help them manage on a day-to-day basis. To view this report go to:
http://www.gao.gov/new.items/d0483.pdf

Agencies Must Improve Distribution of Executive Performance Ratings

Last month, the Office of Personnel Management (OPM) released the results of fiscal 2002 SES performance evaluations noting that many agencies had made strides in identifying truly exceptional employees. However, OPM said that federal agencies must do a more credible job of distributing performance ratings among their top executives if a new performance-based pay system for Senior Executive Service members is to succeed. The pay-for-performance effort is contingent on appraisal systems making meaningful distinctions among executives' performance. The necessity for more rigorous and realistic ratings is especially clear in instances where agencies are not fulfilling their missions and reporting demonstrable results. To view this article go to:
http://www.govexec.com/dailyfed/0204/021904d2.htm

Homeland Security Unveils Performance Pay Plan

Homeland Security Department officials said they want to transfer as many as 8,000 employees to a performance-based pay system in fiscal 2005. The change to the department's personnel system is set to be the first small step in a dramatic overhaul, which will eventually affect 110,000 DHS employees if it is approved in its present form. Homeland Security officials want the majority of the department operating in a system that rewards high performers with better pay and pushes those who do not meet performance requirements out the door. To view this article go to:
http://www.govexec.com/dailyfed/0204/021304d1.htm

Major Overhaul of DoD's Personnel System May Reduce Unions' Influence

The Defense Department is proposing to drastically cut the size and influence of its unions. At least half of the more than 400,000 employees covered by collective bargaining units could lose that right under DoD's proposal. Third-party reviews of employees' appeals and union grievances would be replaced with in-house reviews. Pentagon officials said the proposed changes, along with a still unannounced pay and personnel system overhaul, are critical for a more responsive and high-quality work force. The department aims to design its own personnel system, and apply it to 300,000 employees by October 1. To view this article go to:
http://federaltimes.com/index.php?S=2643189

Agencies Not Required to Give Up Their Recruitment Sites

A new law forbids the administration from forcing agencies to give up their own recruitment and hiring systems. However, this will not halt efforts to establish a government-wide recruitment system. Agencies are free to adopt any online recruiting and hiring system they like so long as it is integrated into the government-wide online recruitment system called Recruitment One-Stop. OPM plans to expand this government-wide portal where anyone can apply for any federal job electronically by October. The provision affecting the project was part of the 2004 omnibus spending bill, which was signed into law by President Bush on Jan. 23. The law says OPM cannot "prohibit any agency from using appropriated funds as they see fit to independently contract with private companies to provide online employment applications and processing services. To view this article go to:
http://federaltimes.com/index.php?S=2602514

The Performance Institute Unveils a Human Capital Management Certification Program

Government agencies at all levels are increasingly under pressure to link their human capital strategies to agency mission and goals and report the results to policymakers and the general public. To help government agencies align human capital strategies with mission, goals and organizational objectives to improve performance and citizen satisfaction, the Performance Institute provides comprehensive education programs through its "Human Capital Management Certification Program." By attending one or more of the courses offered in this program, you will hone your skills in recruiting, retaining and evaluating your federal workforce. You will also learn to assess workforce needs based on your agency's strategic plan and project future workforce gaps. All courses in this nationally-recognized program are specifically designed to ensure full compliance and successful implementation of ALL human resources management reforms in government. In addition to the training received during the courses, participants in the certification program are asked to select a "demonstration project" within their agency to apply the concepts learned during the program. For more information go to:
http://www.performanceweb.org/pi/training/humancapital_index.htm

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Competitive Sourcing

OMB's Latest Scorecard Update

According to OMB's most recent update, scorecards indicate that the majority of PMA agencies are on course in their efforts to improve commercial operations through the use of competition. Agencies are focused on achieving a better return for the taxpayer dollar and identifying the public or private source that can best bring about this result. Recent announcements of new competitions indicate that agencies are looking for competitive sourcing to stimulate

improvements for some of their most significant operations. Experience over the past two and one-half years shows that taxpayers will win -- regardless of who performs the work -- when a manager uses competitive sourcing in a considered fashion. For this reason, no agency may achieve or maintain a "green" status rating on the PMA scorecard unless the agency has a reasonable long-range competition plan that has been tailored to fit the agency's mission. To view this release go to:
http://www.results.gov/agenda/competitivesourcing02-04.html

Greater Emphasis Needed on Increasing Efficiency and Improving Performance

In a review of six civilian agencies, GAO found that they created a basic infrastructure for their competitive sourcing programs, including establishing offices, appointing officials, hiring staff and consultants, issuing guidance, and conducting training. With infrastructures in place and leadership involvement, each agency has developed competitive sourcing plans and conducted some competitions. However, while such activities are underway, agencies cited several significant challenges in achieving its competitive sourcing goals. Key among these is maintaining workforce inventories that distinguish inherently governmental positions from commercial positions. Agencies also have been challenged to develop competitive sourcing approaches that would improve efficiency, in part because agencies have focused more on following OMB guidance on the number of positions to compete—not on achieving savings and improving performance. Ensuring adequate personnel with the skills needed to run a competitive sourcing program also challenged agencies. Finally, some of the civilian agencies reported funding challenges in implementing their competitive sourcing programs. To view this report go to:
http://www.gao.gov/new.items/d04367.pdf

OMB Pressed to Clarify Rules on Job Competition Appeals

The Professional Services Council, a Virginia-based contractors association, urged the Office of Management and Budget to clarify its policy on who can represent federal employees in agency-level appeals of outsourcing decisions. May 2003 revisions to OMB's Circular A-76 are too vague about the agency-level appeals process. This gap in the rules has created confusion and needs immediate clarification. The reworked Circular A-76 designates two key officials, the formal representative of in-house employees known as the "agency tender official" and an official elected by the majority of employees on an in-house team, as "directly interested parties" for agency-level job competition challenges. But the circular does not explain how agencies should determine who qualifies as an individual elected by an in-house team. To view this article go to:
http://www.govexec.com/dailyfed/0204/022304a1.htm

New Guide Stresses Planning and Communication in Job Competitions

According to a new guide by the Federal Acquisition Council, to fully reap the benefits of competitive sourcing efforts, federal managers must plan ahead, involve top executives in decision-making, communicate clearly and coordinate with personnel officials. Also, before asking federal employees to defend their jobs against contractors, agency managers should find out if private companies will bid on the work. Several agencies have completed all the pre-announcement steps of the competitive sourcing process only to find that there is insufficient interest from the private sector. This results in wasted taxpayer dollars. Once competition is confirmed, agencies should help federal employees form an in-house team, or "most efficient organization," and vie for the work. To view this guide go to:
http://www.results.gov/Eileen-FAC-Manager-Guide.pdf

New Panel of Acquisition Experts To Be Created

A new panel of acquisition experts has the chance to fix serious shortcomings in the federal procurement system.

The panel will have a year to survey performance-based contracting, government-wide contracts and the use of commercial acquisition practices. Likely to be on the agenda: share-in-savings contracting, where agencies share profits generated by projects with contractors, and expanding commercial acquisition practices, which require less stringent oversight. The panel will expand on the acquisition reform laws of the 1990s, and encourage agency acquisition officials to try innovative buying techniques such as share-in-savings contracting. To view this article go to:
http://www.govexec.com/dailyfed/0204/021704p1.htm

OMB Sets Deadline for Competitive Sourcing Reports

The Office of Management and Budget said that agencies have until March 31 to complete their first annual competitive-sourcing reports. A provision in the fiscal 2004 Omnibus Appropriations Bill, passed in January, requires agencies to submit a yearly summary of how they are competing their eligible federal jobs with private-sector bidders. In a memo to agency heads, OMB deputy director for management Clay Johnson outlined the requirements for submission. The guidelines are intended to ensure consistency in the development of reports. OMB will combine the agency reports and send them to Congress all at once by the May 24 deadline. Subsequent reports are due December 31 of each year. To view the memo go to:
http://www.whitehouse.gov/omb/memoranda/fy04/m04-07.pdf

Performance-Based Contracting - Increase Cost Efficiency and Improve Program Performance through Performance-Based Contracting (April 21-22, Arlington, VA)

With the recent Congressional approval of the Services Acquisition Reform Act (SARA), the government has mandated that its contracts are performance-based. Agencies are now required to develop and manage contracts which focus on results, not on how the activity is carried out. This new legislation has also established new guidelines and restrictions for government contracts which can often be confusing without proper training. In order to comply with the new mandates, it is essential that your agency receive updates on the latest best practices and innovative strategies for successfully developing, implementing and maintaining performance-based contracts. The Performance Institute is pleased to sponsor comprehensive training programs on Performance-Based Contracting in order to help you meet the challenges of successfully building and implementing performance-based contracts. These two-day, comprehensive events feature updates and showcase best practices in order to help your agency acquire services utilizing performance-based contracts. For more information go to:
http://www.performanceweb.org/contracting/C136/C136.htm

Expanded E-Government

OMB's Latest Scorecard Update

According to OMB's latest scorecard update, there have been numerous successes in the past two years in E-Gov. First, December 17 was the one-year anniversary of the signing of the E-Gov Act, which codified much of the work that is been done through policy and Executive Orders and through the leadership of the CIO Council. Since the QuickSilver project launched the E-Gov initiatives, the Federal government has become significantly more citizen-centered and results oriented. With many of the E-Gov initiatives declaring success, citizens and government are beginning to see a real difference. The next steps in the coming months will be to focus on the Lines of Business initiatives. These are a set of cross-agency projects in five areas that offer the best opportunities for cost savings and improved efficiency, including: public-health monitoring, case management, human resources administration,

financial management, and the next phase of E-Grants. To view this release go to:
http://www.results.gov/agenda/egov02-04.html

FY2005 Budget Addresses Information Security Needs

Improved information security will be a major focus of information technology spending in fiscal 2005. The administration is requesting at least $1.5 billion to upgrade agencies' IT security infrastructures in its fiscal 2005 budget request, a 3 percent increase over the 2004 request. Moreover, this figure does not include spending at the Defense, Commerce and Energy departments and a number of smaller agencies, for which data was not available. Agencies have been asked to redirect money from their development, modernization and enhancement funds to pay for the upgrades. To view this article go to:
http://federaltimes.com/index.php?S=2643219

Government-wide Strategic Planning, Performance Measurement, and Investment Management Can Be Further Improved

According to a GAO report, agencies' use of 12 IT strategic planning/performance measurement practices is uneven. For instance, agencies generally have IT strategic plans and goals, however these goals are not always linked to specific performance measures that are tracked. Without enterprise-wide performance measures that are tracked against actual results, agencies lack critical information about whether their overall IT activities are achieving expected goals. Moreover, agencies' use of 18 IT investment management practices that GAO identified is also mixed. Reasons for not having practices in place are varied, such as: the chief information officer position had been vacant, not including a requirement in guidance was an oversight, and the process was being revised. Agencies could not always provide an explanation. Having performance measures make it more likely that the billions of dollars in government IT investments are wisely spent. To view this report go to:
http://www.gao.gov/new.items/d0449.pdf

E-Gov Fund Request Shrinks

After seeing the central e-government fund slashed by Congress in the past, Office of Management and Budget is taking a new approach to asking for the money. In the fiscal 2005 budget request, the Bush administration sought only $5 million to fund the 24 cross-agency initiatives, compared to the $45 million requested in fiscal 2004 and closer to the $3 million Congress actually allotted last year. However, to supplement that fund, the administration also sought up to $40 million from the General Services Administration's general supply fund, which is made up of fees from agencies and vendors using GSA's supply services. The logic is the GSA supply fund comes from doing work for all the agencies. Therefore, that money can be applied to fund the e-Gov initiatives because these go back to benefit the agencies. To view this article go to:
http://www.fcw.com/fcw/articles/2004/0209/web-egov-02-09-04.asp

IT Spending Boom May Be Over

The administration spent $57 billion on IT in 2003. However, the president's 2005 budget proposes bringing to a halt years of continual growth in federal information technology spending. It proposes $59.8 billion in IT investments, an increase of only 1.1 percent over this year. The number of large projects is dropping sharply. The administration proposes budgets for 941 major projects for civilian agencies in 2005 compared to 1,107 proposed for this year. One worry is that agencies will put off investing in infrastructure such as desktop computers, office automation, telecommunications and networks to save money. Civilian agencies plan to spend $10 billion on infrastructure in 2005, less than half the $22 billion civilian agencies requested in the 2004. However, Karen Evans,

administrator for electronic government and information technology at the Office of Management and Budget, said the reduced spending on infrastructure is due to agencies managing IT better. For instance, the Agriculture Department is reviewing what it was spending across the entire department and wase able to reduce a lot of duplication. To view this article go to:
http://federaltimes.com/index.php?S=2638723

Agencies Embrace Electronic Payments

Federal agencies increasingly are paying their vendors for goods and services by electronic funds transfer instead of checks. A recent report by the Treasury Department's Financial Management Service shows that 65 percent of vendor payments were sent electronically in December 2003. FMS made 1.14 million payments electronically and 625,762 by check at the end of the year. In comparison, FMS distributed 50 percent of vendor payments electronically in January 2003. Overall electronic funds transfers by agencies, including salary, benefits, and vendor and other payments, rose to 76.9 percent in fiscal 2003, up from 76.1 percent in 2002. To view this article go to:
http://www.gcn.com/vol1_no1/daily-updates/24986-1.html

Putnam Drafts Clinger-Cohen Act Amendment

Adam Putnam, chairman of the Government Reform Subcommittee on Technology, Information Policy, Intra-governmental Relations and the Census is working on a Clinger-Cohen Act amendment to add cybersecurity and enterprise architecture requirements. He wants to make it mandatory for agencies to include cybersecurity efforts and architecture models into their IT oversight and decision-making processes. The aim is to make the Clinger-Cohen Act be relevant with what is the current trend in the IT decision-making process. To view this article go to:
http://www.gcn.com/vol1_no1/enterprise-architecture/25044-1.html

Many Agencies Still Cannot Take Electronic Requests

According to a recent GAO report, more agencies are moving to accept electronic requests under the Freedom of Information Act. However, almost half of the major departments still haven't implemented a solution. In an annual review of 25 agencies' implementation of FOIA and the E-FOIA amendments of 1996, GAO found that since Sept. 11, 2001, three agencies added systems to accept information requests electronically: the U.S. Agency for International Development; the Defense Department; and the Environment Protection Agency. Electronic capabilities save time and make it easier for citizens to request information. Eleven other agencies already allowed electronic FOIA requests before Sept. 11, 2001, but as of July 2003, there were 11 more that did not provide that option. Overall, the number of FOIA requests received by the government increased to 2.3 million in 2002, up from less than 2 million in 2001. Sixty percent of those requests went to the Department of Veterans Affairs. To view this report go to:
http://www.gao.gov/new.items/d04257.pdf

NIST Issues Computer Security Guidelines for Federal Agencies

The National Institute of Standards and Technology has issued the first in a series of standards and guidelines designed to help federal agencies implement a 2002 law mandating greater government computer security. Released on Feb. 10, the standard is used to calculate the impact of a loss of integrity, confidentiality or availability of agency computer systems and data. Previously agencies had to choose their own guidelines to establish security needs. Standards on security certification and accreditation for federal systems are expected to be finalized later this spring. Guidance on categorizing secure systems is expected in August and on actual security controls in December. To view the guidelines go to:

http://csrc.nist.gov/publications/fips/fips199/FIPS-PUB-199-final.pdf

Building Better IT Business Cases - Three Options for Developing Exhibit 300 IT Budget Justifications (April 8-9, Arlington, VA)

The Exhibit 300 process has recently been changed by the Office of Management and Budget. Agencies are now being asked to explain more precisely how their IT spending will support the achievement of agency missions. In order to comply with OMB mandates and achieve full funding for your IT projects, it is vital for agencies to stay on top of the latest changes and aware of best practices for building better IT business cases. To this end, the Performance Institute is pleased to sponsor the only comprehensive training program on Building Better IT Business Cases to help you meet the challenges of OMB's requirements for the Exhibit 300 process. This two-day, comprehensive event is open to all agencies and feature OMB updates and showcase best practices in order to help your agency successfully complete Exhibit 300s that will enable you to score high on OMB reviews as well as develop better performance measures for IT program managers. For more information go to: http://www.performanceweb.org/technology/t158/t158.htm

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Agency Spotlight: Office of Personnel Management

The U.S. Office of Personnel Management (OPM) is the President's agent and advisor for the Government's human resources management systems. OPM's key responsibility is to ensure these systems support agencies in recruiting, hiring and retaining the merit-based, high-quality, diverse workforce necessary to meet the needs of the American people. The goal is to create a world class personnel system designed to attract and retain great people, to pay them at market-sensitive rates and to offer them an attractive benefits package, to offer incentives for exceptional contributions, and to ensure accountability for individual and organizational performance.

President Bush has set forth a bold plan to reform the management of the federal government through the PMA and its five initiatives. Motivated, talented employees are essential to the success of all the initiatives, and OPM is leading the human capital effort government-wide. To support its role in assisting agencies to improve their use of human capital, OPM is focused on full implementation of the PMA inside the agency.

Budget and Performance Integration

Since FY 1999, OPM's budget request and performance plan have been integrated in a single document. By the end of FY 2003, the agency completed full implementation of an improved cost allocation system that clearly demonstrates how past resources have been spent to achieve stated annual performance goals. In this way, OPM is achieving full integration of budget and performance information. Total discretionary funding of $274 million in FY 2003 is almost evenly divided between OPM's two major missions: managing and overseeing government-wide human resources; and administering the federal employees benefits trust funds (retirement, health insurance, and life insurance). It also includes $60 million for information technology projects aimed at increasing efficiency and maximizing citizen service.

Improved Financial Management

In 2003, for the fourth consecutive year, the agency has received an unqualified audit opinion on their consolidated financial statements. These clean audit opinions demonstrate the effectiveness of the agency's stewardship over the

$650 billion of assets it hold in trust for federal employees and retirees. Moreover, they achieved the clean audit opinions without their auditors reporting any material weaknesses in OPM's internal controls. Another key element of this initiative is the accelerated timeframes for publishing agencies' annual performance and accountability reports. For FY 2003, OPM published its report one month ahead of the official due date. In addition, the agency's focus on sound internal controls and compliance with applicable regulatory requirements has resulted in no material weaknesses in management controls with federal financial management requirements. This is the second consecutive year that we have achieved this level of compliance.

Strategic Management of Human Capital

OPM is leading agencies in implementing the President's human capital initiative. As required by the Chief Human Capital Officers Act, OPM reviewed performance goals and evaluated the FY 2003 Annual Performance Plan relative to the Plan for the Strategic Management of OPM's Human Capital. The evaluation considered two criteria: capacity vs. performance; and the extent to which performance goals reflect strategic human capital management. In regards to the first criteria, although OPM did not meet 8 of its 47 annual performance goals in FY 2003, in only one instance was failure to meet a goal the result of competency or capacity gaps among staff supporting the goal. The remaining unmet goals were due to OPM's agenda being overtaken by emerging priorities, like homeland security, and because performance targets were missed for other reasons. As to the second criteria, OPM's FY 2003 Annual Performance Plan included six annual performance goals that pertained to various opportunities to improve its human capital management. These goals support OPM's corporate management strategy and demonstrate OPM's recognition that good human capital management practices are critical if OPM is to continue to meet goals and achieve program outcomes.

Competitive Sourcing

In reference to this initiative, OPM is building on its record of reduced operating costs and increased efficiency through greater reliance on the private sector to perform commercial activities. As it has been found, competition between the federal government and the private sector to perform activities not inherently governmental drives excellence. During 2002, the agency successfully competitively sourced two functions, avoiding future costs of an estimated $2.6 million. OPM employees won both competitions. In addition, in the most recent competition for Test Administrator positions, OPM employees also showed they were the most competitive. The agency has prepared a comprehensive plan to meet the 50% target by the end of FY 2004. The FY 2004 plan calls for two competitive sourcing studies for 629 positions. The first study will focus on the customer service positions in the Center for Retirement and Insurance Services. This competition will include 234. The second set of studies will review the administrative positions throughout OPM. These studies will include about 300 positions. Additionally, roughly 100 positions involving network management, financial management, and mail and labor services will be included in studies during 2004. OPM is confident that its employees will continue to compete effectively with private sector firms.

Expanded E-Government

The OPM's e-Gov vision is to provide a consolidated, portable, and secure on-demand human capital and talent management system for many of the essential functions of a government HR system including: payroll, training, security clearance, recruitment, and enterprise HR data warehouse. OPM is Managing Partner to six Presidential e-Government Initiatives, under the Internal Efficiency and Effectiveness portfolio. They support the recruitment, selection and development of human capital and resources across Government. OPM e-Gov initiatives enable the government to execute on their most essential HR business strategies. The OPM e-Gov initiatives consist of a number of components that, together, provide a powerful framework for departments of the federal government to consolidate information into a single, trusted framework for execution. These six inter-related initiatives support a

government worker's life cycle and are composed of e-Clearance, e-Training, e-Payroll, Human Resource Information Systems (HRIS), Enterprise Human Resource Integration (EHRI) and Recruitment One Stop. The cumulative effect of the six initiatives is estimated to yield $2.7 billion in tax savings over the next 10 years.

For more information go to:
http://www.opm.gov/gpra/opmgpra/par2004/pdf/PAR2003.pdf

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The Implementation Update on the PMA is provided as an informational newsletter to all federal employees about the latest news from the federal government and independent news media about the President's Management Agenda–the Administration's plan to improve performance of government. Should you not wish to continue to receive this newsletter, please reply to this email writing "unsubscribe" in the subject heading, and your email will be taken off our distribution list.

The Performance Institute is a private think tank that serves as the nation's leading authority and repository on performance-based management practices for government organizations. Its mission is to identify, study and disseminate the leading management innovations pioneered by "best-in-class" government programs at federal, state and local levels. Through its national conferences on pressing issues, interactive executive training programs, and best practice research projects, the Institute provides cutting-edge expertise in the design, implementation and evaluation of strategies to solve operational challenges and enhance government performance.